

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6549**

**BILL NUMBER:** HB 1270

**NOTE PREPARED:** Apr 22, 2013

**BILL AMENDED:**

**SUBJECT:** TIF Districts for Housing Programs.

**FIRST AUTHOR:** Rep. GiaQuinta

**FIRST SPONSOR:** Sen. Wyss

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill increases (from 150 acres to 300 acres) the total area that may be included in a tax increment financing (TIF) allocation area established for a housing program by a municipal or county redevelopment commission.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary:* The total local revenues collected by the local civil taxing units and school corporations would remain unchanged. However, if one assumes that the increase in assessed valuation from new investments would occur with or without the TIF, a new TIF could cause a delay in the reduction of tax rates and the resulting tax shift from existing properties until the new property is included in the tax base when the TIF expires. Also, rate-controlled funds would not get the benefit of the added AV (increased levies) until the TIF expires.

**Background:** Under current law, a redevelopment commission may establish a housing program as a part of a redevelopment plan. If adopted, a housing program must include an allocation or TIF area that may not

exceed 150 acres. This bill would raise the limit to 300 acres.

New TIF areas for housing programs could be larger under this bill, and existing areas could be expanded. The taxes paid on incremental assessed value in a TIF area are transferred to the redevelopment commission. Housing TIF proceeds could increase under this provision, depending on local action. Housing TIF proceeds may currently be used for the construction, rehabilitation, or repair of residential units or infrastructure, real property acquisition or demolition, and financial assistance to neighborhood development corporations and families for the purchase or lease of a residence.

**State Agencies Affected:**

**Local Agencies Affected:** County and municipal redevelopment commissions.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.